



Testimony of James T. Shearin  
President, Connecticut Bar Foundation  
In Support of Senate Bill 426 and Senate Bill 428  
Judiciary Committee  
March 18, 2016

Good afternoon Sen. Coleman, Rep. Tong, Senator Kissel, Representative Rebimbas, and esteemed members of the Judiciary Committee. My name is James T. Shearin and I offer this testimony as President of the Connecticut Bar Foundation ("Foundation") to express the Foundation's support for two bills on today's public hearing agenda: **Senate Bill 426, An Act Creating A Task Force To Improve Access To Legal Counsel In Civil Matters**, and **Senate Bill 428, An Act Concerning Funding Of Legal Services For The Poor**.

The Foundation is a 501(c)(3) charitable organization devoted to funding the delivery of legal services to the poor by providing grants-in-aid to nonprofit organizations providing civil legal representation to low income people. Pursuant to Connecticut General Statute §51-81c, the judges of the Superior Court have designated the Foundation to administer the interest on lawyers' trust accounts (IOLTA) program and, consequently, the Foundation also administers the fees imposed upon certain court filings under the Judicial Branch's Court Fees Grants-in-Aid (CFGIA) program. The Foundation presently supports ten civil legal service providers (LSPs) in Connecticut which address the legal needs of those who constitute Connecticut's poverty population, a group of people who, since 2007, has grown from 268,880 to 374,772. As the number of people who qualify as poor has grown, so have their legal needs. For many of these people, their ability to secure the most basic human needs depends entirely on the legal aid lawyers who are willing to advocate on their behalf. Without the zealous and passionate representation of these lawyers, those who face the loss of basic human needs – including housing, safety from domestic violence, health care benefits, employment, and educational opportunities – are often ill-equipped to protect their legal rights.

Since 2008, IOLTA funding has dropped from \$20.8 million to \$2 million because of interest rate reductions. The average interest paid on IOLTA accounts is now .2064% so, while the total amount held in all Connecticut IOLTA accounts at any given time is approximately \$900 million, the annual return is only about \$2 million. With the support of the Legislative, Judicial and Executive Branches, legislation was passed in 2009 that increased certain court fees and dedicated that revenue for funding civil legal aid. Those fees were last increased in 2012. It was estimated at that time that CFGIA would then generate about \$13.5 to \$14 million in revenue. But, court filings decreased, resulting in CFGIA receipts of only \$11,925,225 for the annual reporting period ending on September 30, 2013. In 2014, the Judicial Branch increased the percentage of revenue allocated to civil legal aid to 95% of the receipts, but that still did not stem

the tide of the fee reduction resulting from decreased filings. Our CFGIA revenue for the period ending September 30, 2015 was \$11,213,592. We project a further decrease this year.

The LSPs have done their best to deal with the challenges of reduced funding by trimming back on expenses where they can, imposing furlough days, and most unfortunately, terminating staff. Mind you, the LSPs have been forced to take these actions at the same time that the poverty population in Connecticut has grown significantly over the same period of time and their legal needs have become even more voluminous and complex. We desperately need an additional \$2.0 million in funding to prevent further terminations of legal aid lawyers.

It is for these reasons that the **Foundation supports Senate Bill 428**. First, the bill would increase the court filing fees by a modest 3.5% (mostly \$5 to \$10), less than 1% per year since the fees were last raised in 2012. I should note that access to our Court system is still relatively inexpensive when compared to other states. We are also pleased that we have garnered the support of the various bar associations, which we believe attests to the reasonableness of this proposal. The second half of the bill would allow the Client Security Fund Committee to allocate a portion of the client security fee it charges lawyers - currently \$75 per person -- to support legal services funding but only if it believes it has adequate reserves to otherwise meet the demands of the Fund.

The increase in court fees should result in an additional \$950,000 on an annual basis; the second measure will vary from year to year and in any event would not be available as a funding source until sometime next year at the earliest. The much needed revenue Senate Bill 428 is projected to raise will help avert a catastrophic loss of legal aid services for low-income and vulnerable Connecticut residents.

The **Foundation also supports Senate Bill 426**, which would examine the impact that the lack of access to counsel in civil matters is having on the ability of state residents to secure essential human needs. The findings and recommendations of the task force, which would be due before the end of this year, would be extremely helpful in identifying potential, long-range solutions to helping those who cannot afford an attorney to obtain legal representation in civil cases. The Foundation is grateful for any opportunity to participate in such a task force and commends this committee for raising the bill for public discussion.

On behalf of the Connecticut Bar Foundation, I urge the Judiciary Committee to **favorably report Senate Bill 428 and Senate Bill 426**. I'd be happy to answer any questions you may have. Thank you.